

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7374**

**BILL NUMBER:** HB 1419

**NOTE PREPARED:** Jan 14, 2004

**BILL AMENDED:**

**SUBJECT:** Alcohol Server Training.

**FIRST AUTHOR:** Rep. Kruse

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill requires the Alcohol and Tobacco Commission to establish an alcohol server training program that will take effect July 1, 2005. The bill requires the Commission to consider a retail permittee's certification in the program in mitigation of administrative penalties or fines for an employee's illegal sale or service of an alcoholic beverage to an underage or intoxicated person.

**Effective Date:** Upon passage; July 1, 2004.

**Explanation of State Expenditures:** It is estimated that the Alcohol and Tobacco Commission (ATC) would need to hire six additional excise officers to staff the ATC server training program established in the bill. The program would begin on July 1, 2005. If six additional officers were hired, the total cost would be approximately \$280,000 in FY 2006 and \$290,000 in FY 2007. Additionally, the ATC would incur additional costs for the rental of training facilities and the production of training materials.

This bill does not contain an appropriation. The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. As of the December 29, 2003, the ATC had nine vacancies, including vacancies in five excise officer positions. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

The Alcohol and Tobacco Commission is funded with dedicated fee and tax revenue deposited in the Alcohol and Tobacco Commission's Enforcement and Administration Fund.

*Background Information:* Approximately 6,000 retail establishments would be impacted by this bill. While all the bartenders and wait staff employed in these establishments would be required to participate in the training program, the exact number of employees is unknown. There are approximately 90,000 ATC Employee Permit holders in the state. An Employee Permit is required of all clerks in liquor stores, bartenders, wait staff, and managers of establishments that serve alcoholic beverages by the drink.

Under the bill, affected retailers are required to ensure that employees receive training within 45 days of starting work and have a refresher course at least once every two years. After July 1, 2005, prospective ATC Employee Permit holders must successfully complete the ATC's training program prior to receiving a permit. (Wait staff serving alcohol who are under the age of 21 are currently required to receive training before they are employed.) ATC excise officers currently provide a free voluntary training to approximately 3,000 retailers each year. In addition to the training offered by the ATC, there are several private companies that provide server training. The number of employees trained by the services is unknown.

**Explanation of State Revenues:** The bill allows the Commission to fine, suspend, or revoke the permits of the affected retailers and employees for failing to comply with the bill's provisions. The bill also requires the ATC to consider a retailer's participation in the server training program when assessing administrative penalties and fines for an employee's illegal sale or service of an alcoholic beverage to an underage or intoxicated person. Civil penalties for violations of the ATC's rules are deposited in the Commission's Enforcement and Administration Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Alcohol and Tobacco Commission.

**Local Agencies Affected:**

**Information Sources:** Bart Herriman, Commissioner, Alcohol and Tobacco Commission, 232-2444.